

Appendix E: International Organizations

Money laundering and terrorist financing can have a widespread international impact. Money launderers have been found to transfer funds and maintain assets on a global level, which makes tracing funds through various countries a complex and challenging process. Most countries support the fight against money laundering and terrorist funding; however, because of the challenges in creating consistent laws or regulations between countries, international groups have developed model recommendations for governments and financial institutions. Two key international bodies in this area follow:

- **The Financial Action Task Force on Money Laundering (FATF)** is an intergovernmental body established to set standards and promote implementation of legal, regulatory and operational measures to combat money laundering, terrorist financing and other threats to the international financial system. The FATF has developed a series of recommendations on various money laundering and terrorist financing issues. First published in 1990, the FATF Recommendations are frequently revised to ensure they remain up to date and relevant.³⁰¹
- **The Basel Committee on Banking Supervision** is a committee of central banks and bank supervisors and regulators from numerous jurisdictions that meets at the Bank for International Settlements (BIS) in Basel, Switzerland, to discuss issues related to prudential banking supervision. The Basel Committee formulates broad standards and guidelines and makes recommendations regarding sound practices, including those on customer due diligence.

In addition, other global organizations are becoming increasingly involved in combating money laundering. The International Monetary Fund (IMF) and the World Bank have integrated AML and counter-terrorist financing issues into their financial sector assessments, surveillance, and diagnostic activities. Furthermore, various FATF-style regional bodies exist. These groups participate as observers in FATF meetings; assess their members against the FATF standards; and, like FATF members, frequently provide input to the IMF and World Bank assessment program.

³⁰¹ Another well-known FATF initiative is related to high risk and noncooperative countries. FATF identifies and issues public statements on jurisdictions that are subject to countermeasures, and jurisdictions with AML deficiencies that have not made progress in addressing the deficiencies or have not committed to an action plan to address the deficiencies. The public statements can be found at the [FATF Web site](#). [FinCEN](#) issues corresponding guidance to banks operating in the United States of the money laundering and terrorist financing risks associated with jurisdictions identified by the FATF.